A BILL FOR AN ACT

RELATING TO CONDOMINIUM VOTING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. The legislature finds that many condominiums
- 2 are governed by declarations and bylaws that require secret
- 3 ballots at their association meetings. This can be unduly
- 4 burdensome for condominiums that need to ballot with different
- 5 common interests.
- 6 The purpose of this Act is to authorize the use of an
- 7 electronic voting device at all condominium association meetings
- 8 regardless of whether a secret ballot is used or required;
- 9 provided that the board of directors establishes procedures to
- 10 ensure a reasonable level of ballot secrecy and integrity.
- 11 SECTION 2. Section 514B-106, Hawaii Revised Statutes, is
- 12 amended by amending subsection (f) to read as follows:
- "(f) At any regular or special meeting of the association,
- 14 any member of the board may be removed and successors shall be
- 15 elected for the remainder of the term to fill the vacancies thus
- 16 created. The removal and replacement shall be by a vote of a
- 17 majority of the unit owners and, otherwise, in accordance with

- 1 all applicable requirements and procedures in the bylaws for the
- 2 removal and replacement of directors and, if removal and
- 3 replacement is to occur at a special meeting, section
- 4 [514B-121(b).] 514B-121(c)."
- 5 SECTION 3. Section 514B-110, Hawaii Revised Statutes, is
- 6 amended by amending subsection (e) to read as follows:
- 7 "(e) Election of the new board in accordance with an
- 8 amendment adopted pursuant to this section shall be held at the
- 9 next regular meeting of the association or at a meeting called
- 10 in accordance with section $[\frac{514B-121(b)}{2}]$ 514B-121(c) for this
- 11 purpose."
- 12 SECTION 4. Section 514B-121, Hawaii Revised Statutes, is
- 13 amended to read as follows:
- 14 "§514B-121 Association meetings. (a) A meeting of the
- 15 association shall be held at least once each year.
- (b) Notwithstanding any other provision of this chapter or
- 17 the declaration or bylaws of a condominium to the contrary, at
- 18 any association meeting the board may direct the use of an
- 19 electronic voting device regardless of whether a secret ballot
- 20 is used or required. Such use shall be subject to the
- 21 following:

1	(1)	The electronic voting device and all associated
2		equipment shall be isolated from any connection to an
3		external network, including the Internet;
4	(2)	The board shall establish reasonable procedures to
5		provide for the secrecy and integrity of the unit
6		owners' votes, including but not limited to procedures
7		that ensure the availability of a printed audit trail
8		containing:
9		(A) The reference number of the electronic voting
10		device;
11		(B) Each common interest voted; and
12		(C) The vote that was tabulated;
13	(3)	A copy of the printed audit trail shall be available
14		to owners after the meeting in the same manner
15		provided by sections 514B-154 and 514B-154.5; and
16	(4)	A copy of the procedures established pursuant to
17		paragraph (2) shall be available at no charge to any
18		owner and a copy shall be available at any meeting at
19		which the association uses an electronic voting
20		device.

I	((b)) <u>(c)</u> Special meetings of the association may be
2	called by the president, a majority of the board, or by a
3	petition to the secretary or managing agent signed by not less
4	than twenty-five per cent of the unit owners as shown in the
5	association's record of ownership; provided that if the
6	secretary or managing agent fails to send out the notices for
7	the special meeting within fourteen days of receipt of the
8	petition, the petitioners shall have the authority to set the
9	time, date, and place for the special meeting and to send out
10	the notices and proxies for the special meeting at the
11	association's expense in accordance with the requirements of the
12	bylaws and of this part; provided further that a special meeting
13	based upon a petition to the secretary or managing agent shall
14	be set no later than sixty days from receipt of the petition.
15	[(c)] <u>(d)</u> Not less than fourteen days in advance of any
16	meeting, the secretary or other officer specified in the bylaws
17	shall cause notice to be:
18	(1) Hand-delivered;
19	(2) Sent prepaid by United States mail to the mailing
20	address of each unit or to any other mailing address
21	designated in writing by the unit owner; or

S.B. NO. 1288 S.D. 1

1	(3) At the option of the unit owner, expressed in writing,
2	by electronic mail to the electronic mailing address
3	designated in writing by the unit owner.
4	The notice of any meeting must state the date, time, and place
5	of the meeting and the items on the agenda, including the
6	general nature and rationale of any proposed amendment to the
7	declaration or bylaws, and any proposal to remove a member of
8	the board; provided that this subsection shall not preclude any
9	unit owner from proposing an amendment to the declaration or
10	bylaws or to remove a member of the board at any annual
11	association meeting.
12	[(d)] <u>(e)</u> All association meetings shall be conducted in
13	accordance with the most recent edition of Robert's Rules of
14	Order Newly Revised. If so provided in the declaration or
15	bylaws, meetings may be conducted by any means that allow
16	participation by all unit owners in any deliberation or
17	discussion.
18	$[rac{(e)}{2}]$ (f) All association meetings shall be held at the
19	address of the condominium or elsewhere within the State as
20	determined by the board; provided that in the event of a natural

- 1 disaster, such as a hurricane, an association meeting may be
- 2 held outside the State."
- 3 SECTION 5. This Act does not affect rights and duties that
- 4 matured, penalties that were incurred, and proceedings that were
- 5 begun before its effective date.
- 6 SECTION 6. Statutory material to be repealed is bracketed
- 7 and stricken. New statutory material is underscored.
- 8 SECTION 7. This Act shall take effect on July 1, 2019.

Report Title:

Condominiums; Voting; Electronic Voting Device; Associations; Meetings

Description:

Permits a condominium board to direct the use of an electronic voting device at any condominium association meeting regardless of whether a secret ballot is used or required. Requires a condominium board to take reasonable steps to ensure secrecy and integrity of the votes, and that an audit trail be available after the meeting. (SD1)

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